

IN THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD
COURT - 2

Item No.301
IA 669 of 2023
In
CP(IB) 338 of 2020

Order under Section 7 IBC

IN THE MATTER OF:

Bank of Baroda

.....Applicant

V/s

Subi Chemicals Pvt Ltd

.....Respondent

Order delivered on 25/08/2023

Coram:

Mrs. Chitra Hankare, Hon'ble Member(J)

Dr. Velamur G Venkata Chalapathy, Hon'ble Member(T)

ORDER

The case is fixed for pronouncement of order. Counsel of Resolution Professional and counsel for respondent no.1 were present virtually. It was confirmed that no IA was pending as on date.

The order is pronounced in open Court vide separate sheet.

-Sd-

DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

-Sd-

CHITRA HANKARE
MEMBER (JUDICIAL)

IN THE NATIONAL COMPANY LAW TRIBUNAL

AHMEDABAD (COURT NO.II)

IA No. 669 / NCLT / AHM / 2023

IN

CP(IB) No. 338 / NCLT / AHM / 2020

Application Under Section 60(5) of the IB Code, 2016

IN THE MATTER BETWEEN

**Nimai Gautam Shah,
RP of M/s Subi Chemicals Pvt. Ltd. Applicant**

Versus

M/s. Nova Dyestuff Industries Pvt. Ltd.Respondent

IN THE MATTER OF

Bank of Baroda ... Applicant / Financial Creditor

Versus

Subi Chemicals Pvt. Ltd. ... Respondent / Corporate Debtor

Order pronounced on 25/08/2023

Coram:

**MRS. CHITRA HANKARE,
HON'BLE MEMBER (JUDICIAL)**

**DR. V. G. VENKATA CHALAPATHY
HON'BLE MEMBER (TECHNICAL)**

MEMO OF PARTIES

Nimai Gautam Shah,
 RP of M/s Subi Chemicals Pvt. Ltd.
 605-606-607, Silver Oaks,
 Nr. Mahalaxmi Char Rasta, Paldi,
 Ahmedabd, Gujarat – 380007

... **Applicant**

Versus

1. M/s. Noa Dyestuff Industries Pvt. Ltd.
 Successful Resolution Applicant
 251, GIDC Industrial Estate,
 Pandesra, Surat – 394 221
2. Mr. Hemandkumar Babulal Prajapati,
 Suspended Director of Corporate Debtor
 165, Vijaynagar-1,
 B/h Ramkrushna Ind. Soc.
 Udna, Surat – 394 210
3. Mr. Rajkishor Rambriksh Sahani
 Suspended Director of Corporate Debtor
 246, Rushi Nagar,
 Godadara, Surat – 395 010
4. Income Tax Department
 Through Principal Chief Commissioner
 Ward 2(1)(3)
 Aaykar Bhavan,
 Athwa, Surat – 395001

... **Respondent**

Present:

For the Applicant : Mr. Kamil Lokhandwala, Adv.

For the Respondent :

ORDER**[Per : Dr. V. G. Venkta Chalapathy, Member (Technical)]**

1. This application has been filed by Mr. Nimai Gautam Shah, Resolution Professional of the Corporate Debtor M/s Subi Chemicals Pvt. under Section 30(6) read with 31, 60(5) of the Insolvency & Bankruptcy Code, 2016 ('Code') for approval of the Resolution Plan submitted by M/s Nova Dyestuff Industries Pvt. Ltd and approved by Committee of Creditors ('CoC') with 100% voting share.
2. The facts in brief are that the Corporate Debtor was admitted into Corporate

Insolvency Resolution Process ('CIRP') by this Adjudicating Authority vide order dated 25.11.2022, in an application filed by the financial creditor Bank of Baroda under Section 7 of the Code triggering the moratorium and Mr. Nimai Gautam Shah was appointed as Interim Resolution Professional ('IRP'). The IRP made a public announcement in Form-A on 01.12.2022 the last date of receiving claim was 14.12.2022. The RP received only one claim of Bank of Baroda being the original financial creditor of the main matter. The RP accordingly, constituted the CoC (as mentioned below) on 15.12.2022..

Sr. No.	Name of Financial Creditor
1.	Bank of Baroda

The first CoC meeting was conducted on 23.12.2022 which approved the continuance of IRP as RP on same day, 23.12.2022.

3. It is stated that on 02.01.2023 the Applicant issued Form G inviting Expression of Interest ("EoI") for submission of a resolution plan for the Corporate Debtor. The date of invitation for resolution plan was 27.01.2023 and the date for final list of eligible prospective resolution applicant was 01.02.2023. The last date for submission of resolution plan was 10.03.2023. Pursuant thereto two resolution plans from bidders were received. In the 2nd CoC meeting dated 28.12.2022, the RP intimated the CoC that the information memorandum was ready and the RP had also prepared the eligibility criteria and evaluation matrix for the prospective resolution applicants as per Section 25(2)(h) of the Code for inviting resolution plans of the Corporate Debtor. In the said meeting the CoC approved the eligibility criteria and evaluation matrix with 100% voting. It is further observed that the RP appraised the CoC regarding the appointment of six IBBI empanelled valuers for conducting valuation of the Corporate Debtor and the same was approved. The RP further appraised the CoC regarding the disputed claim of 41.11 lakhs of the State Tax Department which is already under appeal. The RP further informed the CoC that the said claim has been admitted at Rs.1 as per the ruling of Supreme Court in the matter of *Committee of Creditors of Essar Steel India Limited through authorized signatory v. Satish Kumar Gupta & Ors. (Civil Appeal No.8766 – 67 of 2019)*. The form G was issued on 02.01.2023 after the meeting.

4. In the 3rd CoC meeting 23.03.2023, the RP appraised the CoC of the two resolution plans and had invited the representatives of the prospective resolution applicant (PRA's) for the respective presentation of the plans. The financial creditor was thoroughly explained of both the resolution plans from respective representative of the PRA's. The financial creditor however, suggested a few changes in both the plans.
5. In the 4th CoC meeting dated 26.04.2023, apart from other discussions, both the resolution plans were discussed in detail by the CoC and the respective representatives of the resolution applicants had explained the plan thoroughly to the CoC. The resolution plans were discussed in details in presence of CoC members and representative of suspended director. Various issues were put to vote before the CoC in the said meeting. However, the CoC approved the resolution plan of M/s Nova Dyestuff Industries Pvt. Ltd. with 100% voting on 20.05.2023 considering the said plan being feasible, viable and compliant of the judgement of the Hon'ble Supreme Court in the matter of *State Tax Officer Vs. Rainbow Papers Limited (Civil Appeal No.1661 of 2020)*. The resolution plan has been unanimously approved by the Financial Creditor and the same is offering payment within 6 months from NCLT approval date. The CoC further instructed the Resolution Professional to submit the required application before this Hon'ble Tribunal for its approval.
6. The key features of the resolution plan are summarized below:

Type of Creditor / Claim	Admitted Amount	Amount to be paid under resolution plan	Terms of payment
Payment of CIRP Cost	0	0	No unpaid CIRP cost as the same is accrued and paid from the internal funds of the Corporate Debtor.
Secured Financial Creditor	194,85,77,458	2,32,00,000	Within 6 months from NCLT Approval date
Government Departments (State Tax Department)	1	1	State Tax Department has filed claim amounting to INR 41,11,791/-. As the same is disputed and litigation is pending, RP has admitted the claim at Notional

			Value of Rs.1. The said claim shall be treated as Secured Creditor and treated at par with secured Financial Creditor. Even in the case of full admission of the above amount by the RP, the amount payable to the said department would be INR 48,744/-. The said amount, if at all payable shall be paid separately by the RA.
Employees	-	-	-
Workmen	-	-	-
Other Creditors	-	-	-
Other contingent Claims Dispute of claims	-	-	-
Total Amount	1,94,85,77,459	2,31,00,000	-
Towards Working capital		50,00,000	
Grand Total	1,94,85,77,459	2,81,00,000	

7. It is submitted by the Resolution Professional that as on date there is no unpaid CIRP cost and CIRP expenses till date is paid from the internal funds of the Corporate Debtor. Hence, in light of the notification of IBBI, only unpaid CIRP cost shall become part of the resolution plan. It is submitted that as the Corporate Debtor is a going concern and is making good profits, the Corporate Debtor had no unpaid employees or workmen or Operational Creditors. Hence, no claims were filed by the existing employees or workmen of the Corporate Debtor. It is further submitted as on insolvency commencement date as per the books of account of the Corporate Debtor, there were no unpaid employees / workmen dues. Hence, no claims were received by the Resolution Professional pursuant to the Operational Creditors or workmen / employees of the Corporate Debtor.
8. The summary of average valuation figures reported by the Independent Valuers approved by COC is as under:

Particulars	Fair Value	Liquidation Value

Land and Building	1,50,16,250	1,14,74,700
Plant and Machinery	15,20,000	9,12,500
Financial Assets and Securities	2,44,69,533	1,40,73,242
Total	4,10,05,783/-	2,64,60,442/-

9. It is further submitted by the Resolution Professional that the resolution plan of Successful Resolution Applicant complies with Section 30(2) of the Code and Regulation 38(1A) of the CIRP Regulations. The mandatory contents of the resolution plan are mentioned on page no.26-35, Clause 7 of the resolution plan. The resolution plan was approved by the CoC on 23.05.2023. It is submitted that there are no dissenting creditors in CoC as there was only one Financial Creditor of the Corporate Debtor with 100% voting share.
10. The Applicant / Resolution Professional attached the compliance certificate in Form H with the application. Accordingly, the Resolution Professional submitted the approved resolution plan dated 03.06.2023 received on 08.06.2023. As per order dated 19.06.2023, the delay of 9 days in filing the present application sought to be excluded by Resolution Professional was allowed.
11. It is submitted that no claims were filed by any of the government organizations, apart from State Tax Department, (VAT Department, Gujarat). The relevant State Tax Department has filed a claim of INR 41,11,791/-. However, as per the books of accounts of the Corporate Debtor, the said amount of claim is disputed as litigations is pending between the Corporate Debtor and the department and the claim of the department has been admitted at notional value Rs.1. It is submitted that the Gujarat Value Added Tax Tribunal vide order dated 12.04.2022 has stayed the proceedings pursuant to the said claim. Copy of the said order dated 13.04.2022 is annexed with the petition.
12. It is submitted that page no.17 of the resolution plan reflects the treatment of the said amount. As per the resolution plan, the claim of the Gujarat Vat Department is

treated as secured creditor of the Corporate Debtor (As per the judgement of Hon'ble Supreme Court in the matter of *State Tax Officer Vs. Rainbow Paper Limited*) and the same shall be treated at par with the secured Financial Creditor i.e. Bank of Baroda. It is submitted that even in the case of admission of the full amount of claim of the Gujarat (VAT) Department, the total amount payable to the said government department shall be INR 48,744/- which is at the same rate as being paid to secured Financial Creditor. The plan further reflects that in case of said amount, it at all payable, the Resolution Applicant shall pay the said amount separately apart from the resolution amount as mentioned in the plan.

13. The Applicant also submits that the Resolution Plan contemplates the concessions, relief and dispensation sought under of the Resolution Plan provided at page no. 35 onwards of the Plan. It further reflects in the Resolution Plan that A shall have exclusive rights upon the previous Income Tax Losses, GST credits (if any), refunds from VAT department (if any), Licenses and consents of the CD along with other assets of the CD upon approval of the Resolution Plan.
14. That the monitoring committee will comprise of total 3 members, as given at Page no. 21 - 22 of the Plan. Members of monitoring committee shall be formed by one member Nominated by CoC, One member being the RA or representative of RA by Resolution Applicant and one member being the Resolution Professional or any other professional as mutually decided by COC and RA who shall be the chairperson of Monitoring Committee. The Applicant submits that CoC approved the Resolution Plan of M/s Nova Dyestuff Industries Pvt. Ltd on 23/05/2023 as per compliance certificate i.e. before the expiry of 180 days (25/05/2023) of period of CIRP.
15. As the CIRP of the Corporate Debtor was initiated by Order dated 25/11/2022 so passed by this Hon'ble Tribunal, this Tribunal possess the exclusive jurisdiction to adjudicate this present Application.
16. Upon approval from the COC, the Applicant had appointed Independent Valuers as in order to determine the fair value and liquidation value of the assets of the Corporate Debtor during CIRP. The summary of average valuation figures reported by the Independent Valuers is as under:

Particulars	Fair value	Liquidation Value
Land and Building	1,50,16,250/-	1,14,74,700
Plant and Machinery	15,20,000/-	9,12,500/-
Financial Assets and Securities	2,44,69,533/-	1,40,73,242/-
Total	4,10,05,783/-	2,64,60,442/-

Resolution Plan of Successful Resolution Applicant complies with Section 30(2) of the Code and Regulation 38 (1A) of the CIRP Regulations.

17. Hon'ble Adjudicating Authority approves the Resolution Plan submitted by M/s Nova Dyestuff Industries Private Limited, the successful Resolution Applicant and be further to order and declare that such approved Resolution Plan is binding on the Corporate Debtor, its employees, members, creditors, including the Central Government, the State Government, the Local Authority and other authorities, the guarantors and all other stakeholders involved in the Resolution Plan.

18. The current resolution plan envisages settlement of all the liabilities of corporate debtor in the manner provided under this resolution plan. The Resolution Plan further proposes continuing corporate debtor operations by growing the business of the Corporate Debtor. This resolution Plan provides for cancellation of entire existing equity share capital of corporate debtor and issuance of fresh equity in favour of Resolution Applicant and its associates, friends & family members and repayment of admitted debts of corporate debtor in the manner provided in this resolution plan by infusion of funds by Resolution Applicant, A detailed financial proposal under this Resolution Plan is as follows:

6.1. Financial Outlay under Resolution Plan**Amount in INR**

Type of Creditor/ Claim	Total Amount Admitted	Total amount to be paid under Resolution Plan	Terms of Payment								
CIRP Cost	--	--	--								
Secured Financial Creditor	194,85,77,458	231 lakhs	<p>Payment to the Secured Financial Creditors will be done within 6 months of approval of Resolution Plan by the Adjudicating authority, NCLT Ahmedabad bench.</p> <p>The repayment schedule is as below:</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>X + 30 days</td> <td>50,25,000/-</td> </tr> <tr> <td>X + 90 days</td> <td>50,25,000/-</td> </tr> <tr> <td>X + 180 days</td> <td>1,30,50,000/-</td> </tr> </tbody> </table>	Period	Amount	X + 30 days	50,25,000/-	X + 90 days	50,25,000/-	X + 180 days	1,30,50,000/-
Period	Amount										
X + 30 days	50,25,000/-										
X + 90 days	50,25,000/-										
X + 180 days	1,30,50,000/-										

			The 10% EMD provided at the time of approval of Resolution Plan by the CoC members, will be adjusted against the first installment.
Operational Creditors other than workmen and employees	1	0	State Tax Department has filed a claim amounting to Rs. 41,11,791 which is disputed as per the claim sheet submitted on the IBBI portal. In the lights of Hon'ble Supreme Court Judgement, the State Tax dues are to be considered secured. In case the Resolution Professional admit the State tax dues, they will be paid 48,744 which is the same as the provision of payment made for Secured Financial Creditors. Therefore, the financial outlay of the Resolution Applicant will change from 231.00 lakhs to 231.44 lakhs if the claim of the State tax Dept. is admitted by RP.
Other creditors	0	0	0
Other Contingent Claims	0	0	0
Total	194,85,77,459	2,31,00,000	

Towards working capital and capex	0	50,00,000	0
Grand Total	194,85,77,459	2,81,00,000	

19. Term of Resolution Plan and its implementation schedule as mentioned in the resolution plan:

6.4. Term of Resolution Plan & its Implementation Schedule

S. No.	Particulars	Timeline
1.	Effective date or date of approval of Resolution Plan by NCLT	T
2.	Cessation of existing directors and Induction of new board	T+30 Days
3.	Cancellation of existing equity shares and acquisition of 100% shares by RA	T+30 Days
4.	CIRP cost to be paid	T+30 Days
5.	Payment to employees, workers, operational creditors and unsecured financial creditors	T+30 Days
6.	Payment to Secured Financial Creditors	T+180 Days
7.	Completion of term of Resolution Plan	T+180 Days

It is hereby clarified that after completion date, RA/CD shall be entitled to exercise any powers as per provisions of companies act' 2013 & other laws and any document issued by RP/CoC containing clauses contrary to provisions of companies act' 2013 and other applicable laws shall not restrain RA/CD to exercise such powers including capital restructuring, operational restructuring, debt restructuring, etc. as provided under companies act' 2013 and other applicable laws.

20. It is submitted by the Resolution Professional that the Resolution Plan shall be deemed to be implemented on payment of the Loan Assignment Consideration to the

Approving Financial Creditors (who are last in line to receive from the resolution amount). As per the resolution plan, performance security as per sub-regulation(4A) of Regulation 36B of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons), Regulations, 2016 has been submitted for Rs.47.75 lakhs.

21. For successful implementation of Resolution Plan, an Implementation and Monitoring committee (IMC) is being proposed by Resolution Applicant which shall have following members:
1. One Representative of Secured Financial Creditors to be decided in the CoC meeting,
 2. Resolution Professional or other professional as may be mutually decided by CoC and RA who shall act as chairperson of the committee;
 3. Either RA or One Representative of Resolution Applicant.

IMC shall oversee the implementation of the resolution plan and it shall report any deviation in timelines or breach of terms of Resolution Plan to NCLT after due consultation in their meeting of the IMC. RA shall be allowed a period of 90 days or such extended period as maybe allowed after mutual discussion in the meeting of IMC for curing of deviation, before reporting the same to NCLT. Resolution Professional will be paid monthly payment of Rs. 25,000/-for the role of chairman of the Monitoring Committee.

22. It is submitted by the Resolution Professional and also mentioned in the Compliance Certificate which are annexed with the application and as on final hearing date, there are no transactions reported under Section 66 r.w Section 43, 45 & 66 of the IBC, 2016 (PUFE). He also confirmed there were no related party transactions.
23. It is submitted that since the Resolution Plan results in change in management and control of the Corporate Debtor, according to Section 32A of the Insolvency and Bankruptcy Code, 2016 ("Code"), the liability of a Corporate Debtor for an offence committed prior to the commencement of CIRP shall cease, and the Corporate Debtor shall not be prosecuted for such an offence from the date the Resolution Plan

has been approved by the Adjudicating Authority under Section 31 of the Insolvency and Bankruptcy Code, 2016 and any instrument executed by the Corporate Debtor under the Negotiable Instrument Act, 1881 including but not limited to post-dated cheques, demand promissory notes, etc. prior to the approval order passed by the Adjudicating Authority shall in no manner be the liability of the Resolution Applicant and all such instruments to be treated as null and void ab-initio.

24. It is submitted that with the subscription of the Equity Shares by the Resolution Applicant and its Affiliates/ Nominees, the entire Equity Shares held by the Existing Shareholders shall stand fully extinguished as a part of this Resolution Plan.
25. It is further submitted that nothing contained in this Resolution Plan shall affect the rights of the Corporate Debtor to recover any amounts due to the Corporate Debtor from any third party including any Related Parties of the Corporate Debtor, under proceedings initiated by the Corporate Debtor and there shall be no set-off of any such amounts recoverable by the Corporate Debtor against any amount paid/ payable by the Corporate Debtor or any liability discharged, satisfied or extinguished pursuant to this Resolution Plan.
26. The Applicant herein submitted that he has not filed any other application concerning the subject matter of this application before any other Court including the Hon'ble Supreme Court of India.
27. We have heard learned counsel for the applicant and perused the material available on record. It is noted that Form H has been filed by Resolution Professional wherein all information/details as regards to the conduct of CIRP as well as the process adopted for the Resolution Plan have been given. The liquidation value of the Corporate Debtor is Rs. 2,64,60,442/-. The value of the Resolution Plan is Rs. 2,81,00,000/- as mentioned in revised Form H. The value of the resolution Plan is more than the liquidation value.
28. It is further noted that an affidavit as regards the eligibility of the resolution applicant under Section 29A along with the undertaking of the resolution applicant to this effect has been filed. We have also perused the contents of the resolution plan and we are of the view that Regulations 36 to 39 of CIRP Regulations, 2016 have

been complied with. We further noted that the resolution plan complies with all requirements under Section 30(2)(b) of the IB Code. We also find that the resolution plan addresses the cause for failure and also contains measures to run the Corporate Debtor in future and that the resolution plan is both feasible and viable as held by CoC and it also contains provisions for its effective implementation. It is also observed there are no pending IAs in the matter. Accordingly, we being satisfied, approve the Resolution Plan as provided in compliance certificate and pass the following order:

ORDER

- I. The approved 'Resolution Plan' is annexed with this order at Annexure - A and shall become effective from the date of passing of this order.
- II. The order of moratorium dated 25.11.2022 passed by this Adjudicating Authority under Section 14 of the IB Code shall cease to have effect from the date of this order.
- III. The Resolution Plan so approved shall be binding on the Corporate Debtor and its employees, members, creditors, guarantors and other stakeholders involved in the Resolution Plan.
- IV. The monitoring committee as proposed in Part II of the resolution plan shall be constituted for supervising the effective implementation of the Resolution Plan.
- IV. Any applications filed and pending for preferential, undervalued, fraudulent, extortionate transactions shall be pursued by the monitoring Committee and later by SRA and the net amount recouped, if any, shall be distributed to the creditors on a pro-rata basis.
- V. The Resolution Professional, Mr. Nimai Gautam Shah shall be released from the duties of the resolution professional of the Corporate Debtor as per the provisions of the IB Code and rules/regulations made thereunder.
- VI. The Resolution Professional shall forthwith send a copy of this Order to the participants and the resolution applicant(s).
- VII. The Resolution Professional shall forward all records relating to the conduct

of the corporate insolvency resolution process and Resolution Plan to the Insolvency and Bankruptcy Board of India to be recorded in its database.

- IX. As regards various reliefs and concessions which are being sought, we hereby grant the following reliefs and concessions only as against reliefs and concessions claimed by the resolution applicant:
- i. After the payment of the dues to the creditors, as per the resolution plan, all the liabilities of the said stakeholders shall stand permanently extinguished and other claims including Government/Statutory Authority, whether lodged during CIRP or not, shall stand extinguished after the approval of the resolution plan. We further hold that contingent/unconfirmed dues shall also stand extinguished;
 - ii. From the date of this order, all claims except those provided in the plan of the Corporate Debtor stand extinguished.
 - iii. From the date of this order, all encumbrances on the assets of the Corporate Debtor before the plan shall stand permanently extinguished.
 - iv. For reliefs and concessions sought from the Government/Statutory Authorities including environmental clearance as well as stamp duty, we direct the resolution applicant to approach the concerned Authorities. The concerned Authorities may decide the matter as per applicable provisions of law for effective implementation of the Resolution Plan.
 - vi. As regards reliefs prayed under various provisions of the Income Tax Act, 1961, the corporate Debtor/ resolution applicant may approach the Income Tax Authorities who shall take a decision on relief and concessions sought by the resolution applicant in accordance with the provisions of the Income Tax Act, 1961.
 - vii. The resolution applicant shall be entitled to review, revise or terminate any appointments/agreements entered into by or on behalf of the Corporate Debtor in accordance with the terms and conditions of such agreements/MoUs/contracts;
 - viii. The management of the Corporate Debtor shall be handed over to the Board of Directors as may be nominated by the resolution applicant for proper running operations of the business of the Corporate Debtor;
 - ix. The Board of Directors of the Corporate Debtor shall also be reconstituted

and procedural compliances shall be done to give effect to such reconstitution;

- x. The resolution applicant shall, pursuant to the resolution plan approved under Section 31(1) of the Code, obtain necessary approvals required under any law for the time being in force within a period of one year from the date of approval of the resolution plan by the Adjudicating Authority under Section 31 or within such period as provided for in such law, whichever is later, as the case may be;
 - xi. All the approvals of shareholders/members of the Corporate Debtor shall be deemed to have been obtained and the provisions made in the resolution plan as regards the restructuring of capital shall be binding on them. For concession of stamp duty as prayed in the resolution plan, the resolution applicant may approach the concerned Government Authority.
 - xii. With respect to the grant of license/ Government approval if the license or approval is terminated, suspended and revoked, the resolution applicant may approach the concerned Department/ Authorities for such approval/ renewal and Government Authorities may consider the request of the resolution applicant as per applicable provisions of law for the effective implementation of the resolution plan.
29. Accordingly, IA 669 of 2023 is allowed with the above-said observations and directions, and stands disposed of.
30. An urgent certified copy of this order, if applied for, is to be issued to all concerned parties upon compliance with all requisite formalities.

-Sd-

DR. V. G. VENKATA CHALAPATHY
MEMBER (TECHNICAL)

-Sd-

CHITRA HANKARE
MEMBER (JUDICIAL)

RESOLUTION PLAN IN THE
MATTER OF
SUBI CHEMICALS PRIVATE LIMITED

Under the provision of Insolvency and Bankruptcy
Code, 2016

By

Nova Dyestuff Industries Private Limited

('Resolution Applicant')

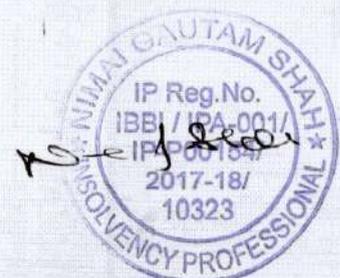
Submitted to:

Mr. NIMAI GAUTAM SHAH

Resolution Professional of
SUBI CHEMICALS PRIVATE LIMITED

FOR NOVA DYESTUFF INDUSTRIES PVT.LTD.

Rawal Jain
DIRECTOR



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FOR NOVA DYESTUFF INDUSTRIES PVT.LTD.

Rawal Jain
DIRECTOR,



1. Definitions

In this Resolution Plan:

"2013 Act" means the Companies Act, 2013 (to the extent notified and in force) including any rules and regulations thereunder and any modifications, clarifications, re-enactments or amendments thereto from time to time;

"Adjudicating Authority" shall mean the Ahmedabad Bench of the Hon'ble National Company Law Tribunal acting in capacity as the 'Adjudicating Authority' under the Code;

"Affiliate" means in respect of any Person, any other Person that directly or indirectly, through one or more intermediate Persons, Controls, is Controlled by, or is under the common Control of such Person and in case of Persons who are natural persons, any other Person who is a Relative of such Person and any other Person Controlled by such Person or the relative of such Person;

"Applicable Law" means any applicable national, federal, central, international, foreign, state, provincial, local or other law including applicable provision of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances, orders, notes, clarifications, releases or any other forms of delegated legislation of any Governmental Authority, statutory authority, court, tribunal or other judicial or quasi-judicial authority; (b) orders, decisions, injunctions, judgments, awards, findings, requirements and decrees of or agreements with any Governmental Authority, statutory authority, court, tribunal or other judicial or quasi-judicial authority; and (c) any modifications or re-enactments thereof;

"Board" means Insolvency and Bankruptcy Board of India constituted under IBC, 2016;

"Business Day" means a day (not being a Saturday or Sunday or a public holiday) when banks in Gujarat are open for general banking business;

"CIRP" means corporate insolvency resolution process under Insolvency and Bankruptcy Code, 2016.

"CIRP Regulations" means the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, as amended and applicable;

"Claim" has the meaning ascribed to it in Part II of the I B Code;

FOR NOVA DYESTUFF INDUSTRIES PVT.LTD.

Ramajam
DIRECTOR



"CoC" means the Committee of creditors that has been constituted pursuant to Section 21 of the Code;

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"Code" means the Insolvency and Bankruptcy Code, 2016 (to the extent notified and in force) including any rules and regulations framed there under and any modifications, clarifications, re-enactments or amendments thereto from time to time;

"Company" or "Corporate Debtor" or "CD" or "SCPL" means and includes SUBI CHEMICALS PRIVATE LIMITED., incorporated in India on 19th August 1992 with corporate identity number U24231GJ1995PTC026040,

"Control" means, with respect to any Person: (i) the direct or indirect ownership of more than 50% (fifty percent) or more of the equity shares or other voting securities of such Person; or (ii) the possession of the power to direct the management and policy decision of such Person; or (iii) the power to appoint a majority of the directors, managers, partners or other individuals exercising similar authority with respect to such Person by virtue of ownership of shareholding, voting securities or management rights or shareholders agreements or voting agreements or contracts or in any other manner, whether: (a) formal or informal; (b) directly or indirectly, including through one or more other Persons; and the term "Common Control" shall be construed accordingly;

"Cut-off Date" means 25.11.2022 i.e. date of the passing of order for all practical purposes, being the **Insolvency Commencement Date**;

"Completion date" means date when entire payment as per clause 6.1 are paid by the Resolution Applicant.

"Default" means non-compliance with or non-performance of any term of this resolution Plan.

"Equity Shares" means equity shares of the Company having a face value of INR 10 per share;

"Employee Dues" means dues, as of the Insolvency Commencement Date, owed to Employees of the Corporate Debtor;

"Financial Creditors" has the meaning as prescribed to it in the Code.

"Force Majeure " means any circumstance or event not within the reasonable control of the Resolution Applicant, but only if and to the extent that: (i) such circumstance, despite the exercise of reasonable diligence and the observance of best practices, cannot be or is unlikely

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to be prevented, avoided or removed, and (ii) such circumstance materially and adversely affects the ability of the Resolution Applicant to perform his obligations hereunder. Without prejudice to the generality of the foregoing, events of force majeure would include an act of God (such as, but not limited to, fires explosion, earthquakes, drought, tidal waves and floods), war, hostilities (whether war be declared for not), invasion, act of foreign enemies, mobilisation, requisition, or embargo; riot, commotion, strikes go slows, lock outs or disorder, acts or threats of terrorism and any pandemic situation as declared by State Government or Central Government.

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"Information Memorandum/ IM" means the Information Memorandum prepared by the Resolution Professional pursuant to Regulation 36 of the CIRP Regulations;

"IRP Costs" means Insolvency Resolution Process costs as defined in section 5(13) of Code;

"Operational Creditors" means the operational creditors as defined in the Code who have lodged a Claim against the Corporate Debtor with the Resolution Professional and includes any creditor who has lodged a Claim against the Corporate Debtor with the Resolution Professional in Forms as prescribed under Regulation 9A of the CIRP Regulations (save and except Persons whose Claims are covered under IRP cost, Workmen Dues, Employee Dues, Central / State Government Dues and the IRP Costs) within the timeframe stipulated in Regulation 12 of the CIRP Regulations.

"Person" shall include an individual, natural person, corporation, partnership, joint venture, incorporated or incorporated body or association, company, Governmental Authority and in case of a company and a body corporate shall include their respective successor(s) and assigns and in case of any individual his or her respective legal representative, administrators, executors and heirs and in case of trust shall include the trustee(s) for the first time being and from time. The term **"Persons"** shall be constructed;

Plan Effective Date / Effective Date means the date on which the order approving this Resolution Plan by the Adjudicating Authority under section 31 of the Code, is received by the resolution applicant.

"Promoter Group" means ex-Promoter(s) and every member of the promoter group of the Corporate Debtor; each of their respective Affiliates, related parties, persons acting in concert with them or otherwise connected with them. For purposes of this definition and its usage, **"promoter", "promoter group" "persons acting in the**

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concert” have the meaning given to them under SEBI Applicable Laws and
“**related party**” shall have the meaning given to it under the Code;

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“**Relative**” has the meaning given to it under the Code;

“**Resolution Applicant**” or “**RA**” means Nova Dyestuff Industries Private Limited and includes any SPV created for the purpose of implementing this Resolution Plan.

“**Resolution Plan**” means this resolution plan submitted to the Resolution Professional and the CoC for the proposed insolvency resolution of the Company in accordance with the Code in supersession of an overriding all earlier resolution plans submitted by the Resolution Applicant, if any;

“**Resolution Professional**” means **Mr. Nimai Gautam Shah, Insolvency Professional** with Registration Number IBBI/IPA-001/IP-P00154/2017-2018/10323, who was appointed and confirmed as the resolution professional for the Company.

“**RFRP**” means the Request for Proposal for Submission of Resolution Plans issued by the Resolution Professional.

“**Secured Financial Creditors**” means the financial creditor, in whose favor security interest is created.

“**Workmen Dues**” means dues, as on the Insolvency Commencement Date, owed to Workmen of the Corporate Debtor.

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Nimai Gautam Shah
DIRECTOR



Interpretations

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In this Resolution Plan, unless a contrary intention appears:

- i) Expressions defined in the Code or the CIRP Regulations, have the meaning assigned therein.
- ii) Any reference to any statute or statutory provision shall include:
 - a) all subordinate legislation made from time to time under that provision (whether or not amended, modified, re-enacted or consolidated);
 - b) such provision as from time to time amended, modified, re-enacted or consolidated (whether before or after the date of this Resolution Plan) to the extent such amendment, modification, re-enactment or consolidation applies or is capable of applying to any transactions entered into under this Resolution Plan prior to the Effective Date and (to the extent liability there under may exist or can arise) shall include any past statutory provision (as from time to time amended, modified, re-enacted or consolidated) which the first provision referred to above has directly or indirectly replaced;
- iii) Unless the context otherwise requires, words in the singular shall include the plural and the plural shall include the singular.
- iv) References to the masculine, the feminine and the neuter shall include each other.
- v) References to a "company" shall include a company, corporation or other body corporate, wherever and however incorporated or established.
- vi) A reference to **this Resolution Plan** or any other document shall be construed as references to this Resolution Plan or that other document as amended, varied, novated, supplemented or replaced from time to time.
- vii) A reference to **this Clause** shall, unless followed by reference to a specific provision, be deemed to refer to the whole Clause (not merely the sub-clause, paragraph or other provision) in which the expression occurs.
- viii) Headings to Clauses, parts and paragraphs and schedules are for convenience only and do not affect the interpretation of this Resolution Plan.
- ix) A reference to "**in writing**" includes any communication made by

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letter or email **but not text messages or what's app messages or messages sent through any similar mobile app or similar internet platform** (unless otherwise expressly provided in this Resolution Plan).

- x) Unless otherwise specified, any reference to a time of day shall mean Indian Standard Time.
- xi) Any words following the terms **including, include, in particular, for example or any similar expression** shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
- xii) Where the context permits, **other** and **otherwise** are illustrative and shall not limit the sense of the words preceding them.

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2. Corporate Insolvency Resolution Process - Introduction of Corporate debtor

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SUBI CHEMICALS PRIVATE LIMITED was incorporated under Companies Act, 1956 on 19th August 1992. It is a non-government Company and registered with Registrar of Companies, Ahmedabad.

SUBI CHEMICALS PRIVATE LIMITED [In CIRP] (Corporate Debtor) is an unlisted Private Company currently engaged in the business of Manufacture of other chemical products.

The last AGM of the Company as per MCA record was held on 29th September, 2022. Its Authorized Share Capital is Rs. 2,00,00,000/- and paid-up capital is Rs. 1.79,85,000/-

3.1. Background of the Corporate debtor

Corporate debtor is engaged in the business of Manufacture of other chemical products.

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3.2. Management of Corporate debtor and its promoters

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The company was managed by Board of Directors consisting of 2 directors, as mentioned here under. The powers of the Board of Directors have been suspended pursuant to NCLT order dated 25.11.2022 passed by the Adjudicating Authority in the said application, bearing CP (IB) 338-NCLT-AHM-2020 , and IRP was appointed. The details of the directors as per information provided by RP are as under:

S.N	Name of Directors	Designation	DIN
1.	<ul style="list-style-type: none">HEMANTKUMAR BABULAL PRAJAPATI	Director	09218661
2.	<ul style="list-style-type: none">RAJKISHOR RAMBRIKSH SAHANI	Director	09245538

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3.3. Shareholding Pattern:

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As per information provided by the RP, as on 31.03.2021, the shareholding pattern of the corporate debtor holding more than 2 % shares are as under & detailed List is as per **(Annexure - 2)**.

As per information provided by RP, there is no other share capital issued by the corporate debtor.

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3.4. Financial indicators of the corporate debtor -

The financial indicators of the corporate debtor for last 2 years are provided by RP in form of audited balance sheet.

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4.1. Executive summary

Resolution Applicants is as under: -

Nova Dyestuff Industries Private Limited was incorporated on 13 March 1989 and is being engaged in Manufacture of other chemical products

The Resolution Applicant is not disqualified from submitting this Resolution Plan under section 29A of the Insolvency and Bankruptcy Code, 2016, or any other law for the time being in force.

A Brief Profile of the Resolution Applicants in a tabular format is attached for your perusal.

i.	Name of Company	Nova Dyestuff Industries Private Limited
ii.	Address of Co.	251, GIDCINDUSTRIAL ESTATE, PANDESARA, SURAT GJ 394221 IN
iii.	Telephone No.	+91 7572921000
iv.	Fax	--
v.	Email	kamal@novadyes.com
vi.	PAN	AAACN9073B

The RA is involved in the group business of manufacturing of chemicals, dyes and intermediary dyes. Nova Dyestuffs Industries Pvt. Ltd., the flagship enterprise of the, was established in 1987. Going commercially on-stream in 1989, the company widened its product base from disperse dyes to dye intermediates. Over the past decade, Nova Dyestuffs has risen to become the leading brand with a sterling reputation in the dyes to dyes intermediates industry. For a consecutive period of three years since 1997, Nova Dyestuffs has been rated as the second largest dyestuff manufacturer in India. The company offers the largest and the widest product range, catering to every requirement in the field of dyes and dyes intermediates. Its prestigious clientele comprises of the entire textile industry. Internationally too, Nova Dyestuffs has gained eminence for the manufacture of Disperse Blue SR, C.I. Disperse Blue 354, Cyanine series, ranking as one of the three sole

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manufacturers of this product in the world. Nova is backed by an all-India network of dealers with a well-knit distribution base to supply its products in any part of the country. The company's technical and marketing team is constantly in touch with the dealers. They are fully equipped and ready to tackle any queries or problems faced by the dealers and provide timely after sales service & support to them. As we thrive to produce the best products and use latest technology, we are extremely socially conscious as well. At Nova, we deeply understand the dangers to nature caused by manufacturing and industrial waste. Hence to compensate for damages caused to nature by Nova Industries and setting an example in the subject of CSR, we have built a Green Zone sized 24,000 square meters as well as a Common Effluent Treatment Plant Where wastewater is treated and once its clean then its released.

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5. Overview of Claims and CIRP cost:

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5.1. Overview of Claims

As per information received from Resolution Professional, below are the summary of claims received and admitted by RP during the CIR process:

Summary of Claims- SUBI CHEMICALS PRIVATE LIMITED			
(Amount in Rs.)			
S.No.	Type of Creditor	Amount Claimed	Amount Admitted
1	Financial Creditors	194,85,77,458	194,85,77,458
2	Operational Creditors*	0	0
3	Employees	0	0
4	Workmen	0	0
5	Other creditors	0	0
6	Govt. Authorities	41,11,791	1
	Total	195,26,89,249	194,85,77,459

* Claims have been admitted provisionally by the Resolution Professional.

Further, on scrutiny of list of creditors, it has been observed that claim of financial creditor include following:

Name of Financial Creditor	Secured	Amount Claimed	Amount Admitted	Related Party or not
Bank of Baroda	Secured	1948577458	1948577458	No

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The claim of **Bank of Baroda** has been secured by way of security interest.

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5.2. CIRP Cost

As per the information provided by RP, there won't be any outstanding CIRP costs. Therefore the RA has not made any provision in respect to the same.

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6. RESOLUTION PLAN OVERVIEW

The current resolution plan envisages settlement of all the liabilities of corporate debtor in the manner provided under this resolution plan. The Resolution Plan further proposes continuing corporate debtor operations by growing the business of the Corporate Debtor.

This resolution Plan provides for cancellation of entire existing equity share capital of corporate debtor and issuance of fresh equity in favour of Resolution Applicant and its associates, friends & family members and repayment of admitted debts of corporate debtor in the manner provided in this resolution plan by infusion of funds by Resolution Applicant.

A detailed financial proposal under this Resolution Plan is as follows:

6.1. Financial Outlay under Resolution Plan

Amount in INR

Type of Creditor/ Claim	Total Amount Admitted	Total amount to be paid under Resolution Plan	Terms of Payment								
CIRP Cost	--	--	--								
Secured Financial Creditor	194,85,77,458	231 lakhs	<p>Payment to the Secured Financial Creditors will be done within 6 months of approval of Resolution Plan by the Adjudicating authority, NCLT Ahmedabad bench.</p> <p>The repayment schedule is as below:</p> <table border="1"> <thead> <tr> <th>Period</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>X + 30 days</td> <td>50,25,000/-</td> </tr> <tr> <td>X + 90 days</td> <td>50,25,000/-</td> </tr> <tr> <td>X + 180 days</td> <td>1,30,50,000/-</td> </tr> </tbody> </table>	Period	Amount	X + 30 days	50,25,000/-	X + 90 days	50,25,000/-	X + 180 days	1,30,50,000/-
Period	Amount										
X + 30 days	50,25,000/-										
X + 90 days	50,25,000/-										
X + 180 days	1,30,50,000/-										

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			The 10% EMD provided at the time of approval of Resolution Plan by the CoC members, will be adjusted against the first installment.
Operational Creditors other than workmen and employees	1	0	State Tax Department has filed a claim amounting to Rs. 41,11,791 which is disputed as per the claim sheet submitted on the IBBI portal. In the lights of Hon'ble Supreme Court Judgement, the State Tax dues are to be considered secured. In case the Resolution Professional admit the State tax dues, they will be paid 48,744 which is the same as the provision of payment made for Secured Financial Creditors. Therefore, the financial outlay of the Resolution Applicant will change from 231.00 lakhs to 231.44 lakhs if the claim of the State tax Dept. is admitted by RP.
Other creditors	0	0	0
Other Contingent Claims	0	0	0
Total	194,85,77,459	2,31,00,000	

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Towards working capital and capex	0	50,00,000	0
Grand Total	194,85,77,459	2,81,00,000	

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Note : Based on the Due diligence by RA the Valuation of CD's assets particularly Fixed Assets, Inventory & Debtors is not much. However, considering CD's long presence in the field and likely value of Intangibles payment has been proposed.

Notes:

(i) That all liabilities of the Corporate Debtor, whether admitted or not, due or contingent, asserted or unasserted, crystallized or uncrystallized, known or unknown, disputed or undisputed, present or future, or any guarantee given by the Corporate Debtor in relation to any third party/related party transaction of any nature in respect of which such third parties may have rights against the Corporate Debtor, which may have been provided or issued by any person in support of, for the benefit of, or at the behest of the Corporate Debtor or for any other reason whatsoever, in relation to any period till the Effective Date, save of this Resolution Plan, shall stand cancelled and terminated without any liabilities accruing to the Corporate Debtor and / or Resolution Applicant and / or SPV, and will be treated as extinguished, as the case may be, by virtue of the order of the Adjudicating Authority approving this Resolution Plan.

(ii) This Resolution Plan is a full and comprehensive proposal for the insolvency resolution of the Corporate Debtor. For the removal of doubt, it is hereby clarified that all the rights, title and interest of the Corporate Debtor in all its Assets shall continue to vest with the Corporate Debtor, except as specifically set out in this Resolution Plan. All the charge created on the assets of the corporate debtor by virtue of corporate guarantees given by Corporate debtor on behalf of any third party/related party for whatsoever purpose it may be, stands extinguished and settled and revoked and vacated as an when the resolution plan is approved by the adjudicating authority.

(iii) Upon payment of amount as mentioned in clause 6.1., each creditor to whom amount has been paid shall issue a no-dues certificate to the RA and Corporate debtor stating that entire liability owed to such creditor shall stand settled and corporate debtor is not liable to pay any amount to such creditor for any dues pertaining to period prior to effective date.

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(iv) RA also reserves right to prepone the payment schedule as mentioned in clause 6.1 and no penalty/fee etc shall be levied on such preponement.

(v) RA shall be allowed a no-default period of 30 days and in case RA is unable to pay any instalment as per clause 6.1 on account of any reasons, RA may be allowed to cure the default within 30 days period.

(vi) At the cost of repetition, it is clarified that the Resolution Applicant shall make payment as mentioned in clause 6.1 to the Creditor towards full and final consideration against acquisition/purchase by the Resolution Applicant or through his nominee(s) from the Corporate Debtor of all and whatever the business, goodwill, assets and rights of whatsoever nature of and/or belonging to and/or enjoyed by and/or inuring unto the benefit of the Corporate Debtor, whether directly or indirectly, on a 'going concern' basis, within the timeframe set out in the table provided in Clause 6.1 hereof;

(vii) None of the payments made by the Resolution Applicant to the Secured Financial Creditor in the manner set out in Clause 6.1 shall carry interest.

(viii) RA shall be entitled to effectively pursue, prosecute and/or enjoy the benefits of and/or concerning any assets of or recoverable, sundry debtor, advances etc payable to the Corporate Debtor, whether emanating from any judicial or quasi-judicial proceedings initiated or to be initiated by the Corporate Debtor or otherwise.

(ix) All payments under this plan shall be made to the bank account designated for that purpose by the Implementation and Monitoring Committee.

(x) On and from the Effective Date, the Corporate Debtor shall not be indebted to anyone except the RA. Any liability, whether known or unknown, crystalized or otherwise, owed by the Corporate Debtor prior to the Effective Date shall be deemed to have been waived and / or written off by the creditor.

(xi) As per the inquiries made by the RA, the assets of the Corporate Debtor are not enough to satisfy the debt owed by it to the secured financial creditors. Therefore, the liquidation value owed by the Corporate Debtor to the operational creditors is presumed to be NIL. If, however, the liquidation value payable to operational creditors is higher, then the RA undertakes to pay the liquidation amount owed to

Ravul Jain
DIRECTOR



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operational creditors in priority within a period of 30 days from the Effective Date.

(xii) On the approval of this resolution plan would be deemed as a notice of discharge of the employees related to the promoter group or any relatives of the Directors/Management of the corporate debtor and all their claims whether received or not received by the Resolution Professional shall stand extinguished and no further payment is due. Employee head count can be increased or reduced based on the operational performance and growth of the Company. Key members of the current management, if any (excluding promoters/erstwhile directors) shall be retained for a period of at least 24 months to ensure smooth transition of management and stabilization of operations.

(xiii) On and from the Effective Date, any guarantee provided by the Corporate Debtor shall be deemed to have been extinguished and cannot be enforced.

(xiv) On and from the Effective Date, any cheque or other negotiable instrument issued by the Corporate Debtor prior thereto shall be deemed to have been cancelled and cannot be enforced against the Corporate Debtor.

(xv) All the power of attorneys provided to any person by the Corporate Debtor stands revoked with effect from the Effective Date.

(xvi) RA shall not be liable to pay any amount to any person other than those mentioned under Clause 6.1. and for that matter, in case the secured financial creditor recovers any amount from the guarantors, they (the guarantors) shall not have any right of subrogation against the corporate debtor.

(xvii) Any amount recovered under any avoidance applications relating to the Corporate Debtor being allowed by the Adjudicating Authority would inure unto the benefit of the secured financial creditor.

(xviii) we understand that CD has certain Cash balances and Fixed Deposits in its name. The same will be transferred to Resolution Applicant along with the Corporate Debtor at the time of handover.

6.2. Monitoring and Implementation of Resolution Plan

For successful implementation of Resolution Plan, an Implementation and Monitoring committee (IMC) is being proposed by Resolution Applicant which shall have following members:

1. One Representative of Secured Financial Creditors to be decided in the

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CoC meeting;

2. Resolution Professional or other professional as may be mutually decided by CoC and RA who shall act as chairperson of the committee;
3. Either RA or One Representative of Resolution Applicant.

IMC shall oversee the implementation of the resolution plan and it shall report any deviation in timelines or breach of terms of Resolution Plan to NCLT after due consultation in their meeting of the IMC. RA shall be allowed a period of 90 days or such extended period as maybe allowed after mutual discussion in the meeting of IMC for curing of deviation, before reporting the same to NCLT. Resolution Professional will be paid monthly payment of Rs. 25,000/- for the role of chairman of the Monitoring Committee.

6.3. Management and Control of the Business during term of Resolution Plan

6.3.1. Induction of New Board

Corporate debtor shall be managed under the leadership and guidance of Resolution Applicant. Immediately after the effective date, all the existing board of directors shall cease to have effect and new board to be constituted having members as nominated by the Resolution Applicant in its sole and absolute discretion.

6.3.2. Cancellation of existing shareholding and issue of fresh equity shares

Immediately after effective date, all the existing share of corporate debtor shall stand cancelled without any payment to existing shareholders. Corporate debtor shall issue to the Resolution Applicant such number of equity shares as may be suitable on the basis of capital structure requirement of the company. In terms of the circular(ref IBC/01/2017) dated 25 October 2017 issued by the Ministry of Corporate Affairs, India approval of the erstwhile shareholders of the corporate debtor to the transaction contemplated under the instant Resolution Plan, including the transfer of the existing share capital, shall deemed to have been given without any further act and deed immediately upon sanction of the Resolution Plan by the Hon'ble National Company Law Tribunal.

6.3.3. Revival of Business operations

In order to revive the business operations as going concern, following steps would be taken immediately after effective date by the Resolution Applicant acting through corporate debtor -

1. RA may identify the target customers for revival of impex business and RA may also explore reviving the existing orders.

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- 2. After ascertaining the existing and new order values for existing business, the need based working capital shall be infused by Resolution Applicant through its own sources or working capital limits from the banking system by way of creation of Charge on the assets of CD.
- 3. RA shall have the complete control on business of corporate debtor during the implementation period and role of IMC during the implementation period shall be restricted to monitor the financial commitments under clause 6.1 of this Resolution Plan.
- 4. As the registered office of the corporate debtor is not owned by it, RA shall also shift the Registered office of CD at such place in India as it may desire, after effective date.

6.3.4. Handover by Resolution Professional

On effective date, the Resolution Professional shall be discharged and shall handover-

- a. All the records including books of accounts, all information relating to business, operations and finance.
- b. All the original KYC, Trademarks, licenses, agreements etc relating to corporate debtor.
- c. Details of all the bank accounts of corporate debtor so that same can be operated by authorised signatory of CD acting through RA.
- d. Any cash balances and Fixed Deposits in the name of Corporate debtor.

In case, RP fails to handover any original document relating to corporate debtor, non-receipt of such document or receipt of copy thereof shall entitle the RA to approach respective authorities to obtain original copy thereof and respective authorities should consider the request of RA favorably.

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6.4. Term of Resolution Plan & its Implementation Schedule

S. No.	Particulars	Timeline
1.	Effective date or date of approval of Resolution Plan by NCLT	T
2.	Cessation of existing directors and Induction of new board	T+30 Days
3.	Cancellation of existing equity shares and acquisition of 100% shares by RA	T+30 Days
4.	CIRP cost to be paid	T+30 Days
5.	Payment to employees, workers, operational creditors and unsecured financial creditors	T+30 Days
6.	Payment to Secured Financial Creditors	T+180 Days
7.	Completion of term of Resolution Plan	T+180 Days

It is hereby clarified that after completion date, RA/CD shall be entitled to exercise any powers as per provisions of companies act' 2013 & other laws and any document issued by RP/CoC containing clauses contrary to provisions of companies act' 2013 and other applicable laws shall not restrain RA/CD to exercise such powers including capital restructuring, operational restructuring, debt restructuring, etc. as provided under companies act' 2013 and other applicable laws.

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6.5. Source of funds under Resolution Plan

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The RA has sufficient net worth and liquid asset to finance the Resolution Plan. In case any shortfall arises, RA shall explore taking unsecured loans from relatives and friends for implementing the Resolution Plan. However, in order to implement the Resolution Plan, RA has following liquid asset available at disposal -

S. No.	Source	Amount (In INR Crores)
1.	From own sources Cash and Bank Balances	2.31

Relevant proof in support of above are separately being submitted.

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7. Mandatory Compliance with provisions of IBC, 2016 and CIRP Regulations

Details of status of compliance of the provisions of Section 30 of the Insolvency and Bankruptcy Code 2016 ("Code") and Regulation 37 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 ("Regulation"), is summarized as under:

Relevant Provision	Provisions of Section 30 of the Code/ Regulation	Reference
Sec. 30 (2)(a) of the Code	provides for the payment of insolvency resolution process costs in a manner specified by the Board in priority to the repayment of other debts of the corporate debtor	The Resolution Plan provides for payment of resolution process cost on actual basis, currently estimated at Rs. 30 Lakhs incurred till the effective date in manner as specified by the Board and in priority to payment of other debts of corporate debtor within a period of 30 days from effective date. Any excess or shortfall in CIRP cost shall be adjusted against the payment to be made to Secured Financial Creditor.

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Sec. 30(2) (b) of the Code	(i) Provides for the repayment of the debts of operational creditors in such manner as may be specified by the Board which shall not be less than the amount to be paid to the operational creditors in the event of a liquidation of the corporate debt or under section 53.	The dues of operational creditors are NIL.
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<p>Sec. 30 (2) (b) of the Code</p>	<p>(ii) And provides for payment of debts of financial creditors who do not vote in favour of the resolution Plan, insuch a manner as may be specified by the board, which shall not be less than the amount to be paid tosuch creditors in accordance with sub section (1) of section 53 in the event of liquidation of the corporate Debtor</p>	<p>The amounts under resolution plan are paid upfront and in the ratio of their vote share. Also there is only secured financial creditor in the CoC, therefore there is no question of dissenting creditor. However for the sake of compliance of sec 30(2)(b) it is mentioned here that the dissenting Financial Creditors will be paid in 120 Days. Hence, secured financial creditors are being paid their dues in 180 days, resulting in Dissenting Financial creditors getting priority in payment over secured financial creditor</p>
<p>Sec 30(2)(c)</p>	<p>provides for the management of the affairs of the corporate debtor after approval of the resolution plan</p>	<p>It is clarified that, from the effective date till the implementation of the proposed transaction under the Resolution Plan i.e. payment of the committed amount to the Secured Financial Creditor, it is envisaged that an effective Implementation and Monitoring Committee (IMC) shall co- ordinate in implementation of the Resolution Plan by the Resolution Applicant. The composition of IMC is envisaged under clause 6.2.</p> <p>Besides this, the new board shall be constituted as per Clause 6.3 which shall be responsible for the supervision of the day-to-</p>

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		<p>day affairs of the Corporate Debtor till the date on which the Resolution Applicant fulfils all its obligations as proposed under the Resolution Plan, including the entire payment to the Financial Creditors and Board shall keep IMC informed about progress on implementation of plan from time to time. The new board shall take over the management and control of the Corporate Debtor, immediately upon approval of the Resolution Plan by the Adjudicating Authority.</p> <p>The RP may be directed to handover the management and control of the CD upon approval of the plan by NCLT. The IMC and the new Board shall be responsible for operating the Corporate Debtor as a going concern.</p>
Sec 30 (2) (d) & Regulation 38(2)(c)	Term of the plan, implementation schedule and supervision of the resolution plan	<p>RA will ensure that the resolution plan is implemented and supervised suitably.</p> <p>Entire amount as in Para 6.1 above is proposed to be paid to financial creditors within 180 days from effective date.</p>
Sec. 30 (2) (e)	Does not contravene any of the provisions of the law for the time being in force	RA has prepared the Resolution Plan after taking into consideration and with compliance of all applicable laws and regulations and shall not contravene any of the provisions of the law for the time being in force.
Sec. 30 (2) (f)	Plan conforms to such other requirements as may be specified by the	The resolution plan has been prepared taking every aspect into consideration so

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	Board	as to conform with such other requirements as may be specified by Board.
Regulation 37 (a) & (b)	<ul style="list-style-type: none"> transfer of all or part of the assets of the corporate debtor to one or more persons; sale of all or part of the assets whether subject to any security interest or not 	The RA undertakes that he won't sell or transfer of all or part of the assets whether subject to any security interest or not before the completion of approved Resolution Plan.
Regulation 37 (c)	the substantial acquisition of shares of the corporate debtor, or the merger or consolidation of the corporate debtor	Immediately after effective date, all the existing share of corporate debtor shall stand cancelled and Corporate debtor shall issue equity share to RA as per clause 6.3.2
Regulation 37 (ca)	Cancellation and delisting of any shares of corporate debtor	Existing equity is proposed to be cancelled immediately after effective date. Equity shares of the CD are not listed on ant exchange.
Regulation 37 (d)	satisfaction or modification of any security interest	Charge created by secured financial creditor on the assets of corporate debtor shall be waived off and extinguished on completion date and secured financial creditor shall return the original title deeds/ paper pertaining to asset owned by corporate debtor to RA, execute the release letter and ensure also the necessary compliances for satisfaction of charge.

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Regulation 37 (e)	curing or waiving of any breach of the terms of any debt due from the corporate debtor	The debts of various parties due from the Corporate Debtor are proposed to be settled / restructured / waived as provided separately under this
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		Resolution Plan as per clause 6.1.
Regulation 37 (f)	reduction in the amount payable to the creditors	Please refer to clause 6.1
Regulation 37 (g)	extension of a maturity date or a change in interest rate or other terms of a debt due from the corporate debtor	Not applicable
Regulation 37 (h)	amendment of the constitutional documents of the corporate debtor	RA may apply to the Registrar of companies for change of name and registered office of corporate debtor and accordingly if any constitutional documents of corporate debtor are required to be modified, same shall be undertaken in accordance with provisions of law.
Regulation 37 (i)	Issuance of securities of the corporate debtor, for cash, property, securities, or in exchange for claims or interests or other appropriate purpose.	Fresh equity shares would be issued as part of the Resolution Plan as per clause 6.3.2
Regulation 37 (j)	Change in portfolio of goods or services produced or rendered by the corporate debtor.	No amendment or change in the portfolio of goods or services produced or rendered by the corporate debtor is envisaged/ proposed at this stage.
Regulation 37 (k)	Change in the technology used by the corporate debtor.	There is no change in the technology proposed. However, RA should be entitled to adopt latest technology as per business requirement.
Regulation 37 (l)	Obtaining necessary approvals from the Central and State Governments and other authorities.	Certain necessary approvals of the Central and State Governments are already in place for the operation of the business.
Regulation 38(1)	The amount due to the operational creditors under a resolution plan shall be given priority in	The OC has Nil dues.

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	payment over financial creditors	
Regulation 38(1A)	Dealing with interests of all stake holders including financial creditors and operational creditors	The estimated outstanding due of the Secured Financial Creditor is approx. Rs. 194.85 Crores (admitted amount) which is proposed to be settled at a consideration amounting to Rs. 2,31,00,000/-. Other stake holders i.e. operational creditors are Having Nil dues.
Regulation 38 1(B)	(i) Whether the Resolution Applicant or any of its related parties has failed to implement or contributed to the failure of implementation of any resolution plan approved under the Code. (ii) If so, whether the Resolution Applicant has submitted the statement giving details of such non-implementation?]	We hereby declare that Resolution Applicant or any of its related parties hasn't failed to implement or contributed to the failure of implementation, in past of any resolution plan approved under the Insolvency and Bankruptcy Code ("Code").

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Regulation 38 (2) (a)	Term of plan and its implementation schedule	Refer to clause 6.4
Regulation 38 (2) (b)	Management and control of the business of corporate debtor during term of resolution plan	RA shall endeavor to induct new board having members as nominated by the Resolution Applicant in its sole and absolute discretion.
Regulation 38(3)	A resolution plan shall demonstrate that - (a) it addresses the cause of default; (b) it is feasible and viable; (c) it has provisions for its effective implementation; (d) it has provisions for approvals required and the timeline for the same; and (e) the resolution applicant has the capability to implement the resolution plan	The CD is a corporate guarantor of M/s. Sarthak Creation P. Ltd. Original CD M/s Sarthak Creation P. Ltd. Was defaulted in payment. The reason for lower profit can be attributed to shortfall in cash flows from reduction in margins, resulting in sharp decline in level of operations, thereby leading to inadequate cash flows for servicing the liabilities of corporate debtor. The resolution plan has addressed the causes of default. We have, through better management control, infusion of additional funds for working capital, and bringing down the total debt to a sustainable level, endeavoured to turnaround the company by improving its top-line and bottom-line. A viable and workable resolution plan has accordingly been prepared. The Resolution Applicant, has the capability/ appropriate resources for effective implementation.
Regulation 38(2)(d)	Treatment of proceeds received from PUFFE application filled by the Resolution Professional with the Hon'ble Adjudicating Authority, NCLT Ahmedabad bench.	The Resolution Applicant undertakes that if an application is filled with Hon'ble Adjudicating Authority, NCLT Ahmedabad bench pertaining to PUFFE application, then RA will continue with the PUFFE

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		application. Further, if there is any recovery of proceeds from the PUFFE application, the same will be retained by the Resolution Applicant in the Corporate debtor.
Section 30(4) read with Regulation 36B(4A)	Submission of Performance Gurantee	RA hereby undertakes that if the Resolution Plan submitted by RA is approved by the Committee of Creditors as per the provisions contained in section 30 (4) of the Code, the Resolution Applicant will provide a Performance Security in accordance with the provisions contained in Regulation 36B (4A) within 15 days of the said approval by the Committee of Creditors. RA further undertakes that the Performance Security shall stand forfeited if the resolution applicant, after its approval by the Adjudicating Authority, fails to implement or contributes to the failure of implementation of the plan in accordance with the terms of the plan and its implementation schedule.

8. Concessions and Reliefs, Waivers, / Directions/ Specific orders from NCLT Requested / Prayed under the Resolution Plan

Sr No.	Particulars	Concessions / Reliefs / Directions sought
1	Bank guarantee, if any	No obligation on CD on devolvement of any bank guarantee issued by any financial creditor/ Bank on behalf of corporate debtor prior to effective date.
2	Electricity dues waiver	Outstanding dues, if any, with any of the power companies of the Corporate debtor to be waived.

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3.	Ability to utilise Cenvat credit, Service Tax credit, GST Credit etc in the books of the Company	In case of non-maintenance of requisite records by the Corporate Debtor, which has resulted in lapsing/ineligibility of the said benefits, under the new GST regime, benefits to be available on retrospective basis / reinstated, without fees / penalties/Interests.
4.	Issuance / Renewal of all kinds of Licenses / Permissions / Approvals required for operation of the Business / Factory Operations	Central / State Government Departments / Local Bodies to Renew / Issue Fresh licenses/ permissions / approvals on application of the same within 30 days of the Application. Temporary License shall be granted / provided to operate the Business Operations within 7 days of application for the Interim Period if required.
5.	Grace period to comply with various future statutory / regulatory requirements	Twelve (12) months grace period (from the date of NCLT approval) to be provided to the Corporate Debtor to comply with the provisions of the various Acts / Regulations, to enable Corporate Debtor to ascertain the status of various compliances and take necessary steps to regularize the same. During grace period, no additional charges/ fees etc to be charged including on account of Interest, Penal Interest, Penalty, Interest on Penalty, any kind of Late Fee or Damages.

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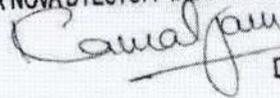
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6.	Extinguishing of existing Onerous contracts by Corporate Debtor	Any onerous contract made by the Corporate Debtor subsisting before the approval of Resolution Plan shall be duly extinguished and be ineffective.
7.	Termination of all existing Negotiable Instruments	As on the insolvency commencement date, all outstanding negotiable instruments, issued by Corporate Debtor or any other person on behalf of Corporate Debtor shall stand terminated and no liability shall arise on the same.
8.	Revocation of Power of Attorneys	All the power of attorneys provided to any person by the Corporate Debtor stands revoked with effect from the date of NCLT approval.
9.	Waiver/Exemption from requirement of No Objection Certificate under Sec 281 of the Income Tax Act, 1961	Waiver/Exemption from requirement of No Objection Certificate under Sec 281 of the Income Tax Act, 1961 by the Selling Shareholders and provision of taking over predecessor's tax liability under Sec 170 of the Income Tax Act, 1961 and Specific Order for treating such Transactions as VOID under Sec 281 of the Income Tax Act, 1961 for any claims in respect of tax or any other sum payable by Selling Shareholders.
10.	Waiver of Valuation of Pricing of Shares by Registered Valuer -	Approval of Resolution Plan by NCLT will be treated as waiver of the requirements of the Valuation of Pricing of Shares by Registered Valuer to be computed for Issuance of Equity Shares through Preferential Allotment / Warrants / Preference Shares / Convertible Debentures to RA. The request for such waiver is due to the fact that current valuation of the Company on the basis of Book Value or Net Assets Value Basis / Realizable Valuation of Assets adjusted to Current Liabilities or Discounted Cash Flow of the Business will be "Negative", whereas the RA is paying revised Face Value considering the Future Potential of the Business.

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16	Liabilities accrued/may accrue under Various Acts & Laws	<p>Approval of the Resolution Plan will be treated as Waiver / Approval from past Liabilities, Payments of Fees and all Dues including any Penalties as well as any form of payment by way of Interest, Late Fees, Damages etc, related to all Government Authorities with regard to non-compliances of various Statutes to be adhered related to Consent, Fees, Certification etc. by the Corporate Debtor prior to the Effective Date which is inclusive but not exhaustive of -</p> <ul style="list-style-type: none"> • The Employees Provident Fund and Miscellaneous Provisions Act, 1952 • The Bonus Act, 1965 • The Payment of Gratuity Act, 1972 • Legal Metrology Act, 2009 • Negotiable Instruments Act, 1881 • Environment (Protection) Act, 1986 • The MSME Act • Electricity Act, 2003 • Trademarks Act, 1999 • The Income-tax Act, 1961 • Gujarat Value Added tax Act, 2003 • Goods and Service Tax Act, 2017 <p>and/or the rules, regulations, policies, etc. framed thereunder from time to time.</p> <p>The Waiver also includes any dues relating to Interest, Penal Interest, Penalty, Interest on Penalty, any kind of Late Fee as well as Damages. RA shall not be liable for non-compliances of any laws prior to effective date.</p>
11.	Liability which may accrue to Provisions of MAT and Other Sections of Income Tax Act	<p>Approval of the Resolution Plan will be treated as Waiver by NCLT and/or in respect of any liability (includes Tax, MAT, interest, fine, penalty etc.) on Corporate Debtor, RAs on</p>

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		account of various actions proposed in the Approved Resolution Plan including but not limited to liabilities, if any, under Sec 56, Sec 43, Sec 28, Sec 115JB and Section 79 of the Income Tax Act, 1961.
12.	Claims by Government Authorities	Approval of the Resolution Plan will be treated as Approval by NCLT that claims of government authorities, in relation of all taxes, penalties, dues, whether statutory or otherwise etc. for period pertaining prior to the insolvency commencement date and till the date of NCLT orders, shall stand extinguished and ineffective, except to the extent provided for under the Resolution Plan.
13.	Extinguishment/Revocation of Workmen/ Consultant Contract	Approval of the Resolution Plan will be treated as Specific Order and Approval by NCLT that any contract subsisting with respect to Workmen / contractual labor/ Consultant/ Company secretary/ Statutory auditor before the approval of Resolution Plan shall be duly extinguished and be ineffective. Further, No NoC shall be required from such employees/ workmen consultant/ company secretary/ Auditor etc.
14.	VAT/IncomeTax/Customs Duty/ waiver	Upon payment to statutory authorities as proposed under the Resolution plan, no further amounts will become due and payable by the CD after the plan is approved by NCLT and all such debts shall stand satisfied fully for all intent and purposes. These Authorities will be required to drop all proceedings and/or

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precipitative steps, including attachment of assets against the company upon approval of the plan by NCLT.

Further reasonable opportunity of being heard to be given to jurisdictional Principal Commissioner or Commissioner as provided under Section 79 of Income Tax Act, 1961. Resolution Professional would take the onus to give reasonable opportunity of being heard to jurisdictional principal commissioner with reference to concessions and reliefs granted under IBC, 2016 remains intact and entitlement of such reliefs are not withheld.

Upon sanction of this Resolution Plan, all the dues of the statutory authorities shall stand waived, save and except to the extent proposed to be paid herein, and such payment by the RA shall be treated as full and final settlement of the entire dues and claims of the statutory authorities against the Corporate Debtor and no further action shall be initiated by and / or order shall be passed by any authority against the company and/or the RA and/or any person claiming by, from, through and/or under them in this regard. The order of sanction of the Resolution Plan shall be treated as necessary approvals from the Central and State Governments and other authorities as provided in Clause 37 (1) of Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

All the contingent liabilities, including any

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		demand from the Income Tax Department, VAT, Custom Department, Goods and Service Tax Department and/or any other taxation authority or any other statutory authority whomsoever, whether at the Central or State level, arising out of any subsequent assessments, which relate to any non-compliance on part of the CD till the effective date, are proposed to be waived off immediately upon sanction of Resolution Plan subject to payment of the monies by the RA under and in terms of Clause 6.1 hereof.
14	Waiver of all non-compliances prior to effective date	Upon order by NCLT approving this resolution plan, all the past non-compliances under any law, agreements, deeds, including but not limited legal proceedings regardless of the nomenclature thereof shall stand waived / dropped for all intent and purposes and/or no consequences shall emanate therefrom vis-à-vis the Corporate Debtor or RA or any person claiming through them.

If so required, the RA and/or his nominee(s) be permitted to approach the Adjudicatory Authority for or in connection with any further concession(s) or matter concerning the Corporate Debtor in any manner whatsoever.

The above reliefs/ waivers/ prayers from Hon'ble NCLT are not conditions however in order to effectively implement the Resolution Plan, the above reliefs/ waivers/ prayers, be considered favorably so that RA may be able to successfully revive the business operations.

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9. Projected Profit & Loss Account after approval of Resolution Plan

During the term of Resolution Plan, based on market conditions and future prospects, RA has projected positive cash flows. A detailed projected Profit & Loss Account is as under:

Amount in INR Crores

(Full Year)

Particulars	Year I
Sales	10.00
Less: Direct Cost	8.00
Less: Indirect Cost	1.50
Net Profit	0.50

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10. Entitlements and understanding

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10.1. Upon approval of this Resolution Plan by the Adjudicating Authority, this Resolution Plan shall be binding on the Corporate Debtor employees, shareholders, members, creditors, guarantors, and all other stakeholders who are involved in the Resolution Plan and/or otherwise concerned or connected with the Corporate Debtor. As the Resolution Plan shall be binding on each of the stakeholders mentioned above, all such persons including but not limited to the Implementation and monitoring Committee, employees, guarantors, creditors and shareholders /members shall use their best efforts to do or cause to be done, such further acts, deeds, matters and things and execute such further documents as may be reasonably required by Resolution Applicant to give full effect to the terms of this Resolution Plan in accordance with its terms and conditions. If required by Resolution Applicant as the evidence of discharge, the creditors of the Resolution Plan shall provide all documentation and/or execute documents evidencing the full and final discharge of their Claims.

10.2 In order to ensure that the financial statements of the Corporate Debtor reflect the true financial position of the Corporate Debtor, the Corporate Debtor's assets and liabilities will be re-casted with the intent that the Corporate Debtor has been restructured and reborn. The following steps shall be completed by the Resolution Applicant:

- a) The financial statements of the Corporate Debtor will be restated based on applicable accounting standards to reflect the true and fair value of the assets and liabilities.
- b) The cut-off date for the above-mentioned exercise should be the date of approval of the Resolution Plan by the Adjudicating Authority.
- c) Any write-back / gain on settlement / waiver of liability(s) arriving out of settlement of all dues as proposed in the Resolution Plan shall be transferred to a separate reserve (hereinafter called "Business Reorganization Reserve" or

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"BRR") which may subsequently be transferred to General Reserve as and when the newly constituted Board of Directors of the Corporate Debtor may deem fit.

10.3 Severability and compliance with law:

10.3.1 In the event it is determined that any provisions of the Resolution Plan is unenforceable and/or in the event any provision of the Resolution Plan becomes invalid for reasons other than by breach by the Resolution Applicant of the terms of the Resolution Plan, the Resolution Applicant (s) reserve the right to apply to the Adjudicating Authority for appropriate modification of such provisions of the Resolution Plan, and such invalidity and/or unenforceability of the provision of the Resolution Plan shall not render the whole Resolution Plan ineffective, unless otherwise directed by an order of the Adjudicating Authority and it became voidable at the option of Resolution Applicant.

10.3.2. In case any such modification is required in the Resolution Plan after the receipt of Adjudicating Authority's approval, to comply with any applicable laws currently in force or to apply for certain approvals as required under the Resolution Plan or for any other requirements, without prejudicing to the economic interest of any person entitled to receive any payment as contemplated under this Resolution Plan, the Resolution Applicant can do so only after approval of the Adjudicating Authority.

10.3.3. The present resolution plan shall become voidable at the option of Resolution Applicant in the event of occurrence of any force majeure.

10.4 Tax Liabilities & Waivers

10.4.1. That no income tax will be attracted / payable on account of capital gain arising out of the transfer of shares/Assets as envisaged in this Resolution Plan by/to Resolution Applicant, if any;

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10.4.2. That the Stamp duty, registration charges, levies and taxes on the Resolution Plan, if any, and/or the transactions undertaken pursuant to the sanction thereof by the Hon'ble National Company Law Tribunal, be exempted.

10.4.3. That the Corporate Debtor and / or Resolution Applicant be exempted from payment of any charges, duty, levy for transfer/ recognizing change in shareholding of the Corporate Debtor pursuant to the Resolution Plan sanctioned by Adjudicating Authority.

10.4.4. The company should be allowed to carry forward its unabsorbed depreciation/unabsorbed business losses/Capital Loss, if any, related to period upto effective date (even if there is delay in filing the return) beyond statutory time limit of 8 assessment years under Section 72 of IT Act 1961 and set off in subsequent years; in as much as in calculation of the period of limitation of 8 years under section 72(3) of Income Tax Act for carry forward of losses, the years during which the net worth remained negative, be excluded.

10.4.5. Credit in respect of minimum alternate tax paid by the Corporate Debtor before the Effective Date shall continue with the Corporate Debtor on a going concern basis and shall not be revoked on account of change of management and control on the completion of the Transaction.

10.4.6. CD and the RA shall be granted exemption from all taxes (including income tax and Minimum Alternate Tax (MAT) liability or consequences, including interest, fine, penalty, etc., due and payable by the CD for the period up to the Effective Date and to the Resolution Applicant and its shareholders on account of various steps as proposed in the Resolution Plan, including but not limited to liabilities, if any {under section 41 (1), Section 56, Section 50CA, Section 43, Section 43 B, Section 28, Section 115 JB (since in case of restructuring of debt of RA with the CD, the write off of the book value of the debt of FCs and OCs in books of CD is in excess of the settlement/ restructured amount; MAT provisions may get triggered. The MAT liability (if arises) shall be unviable

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for the implementation of this Resolution Plan and thus the CD shall be exempt from MAT Liability u/s 115JB of the Income Tax Act, 1961) and Section 79 of the Income Tax Act, 1961 or due to write back/write off of liabilities in the books of accounts of CD, levies, fees, transfer charges, transfer premiums, and surcharges that arise from or related to implementation of resolution plan without any impact on brought forward tax and book loss / depreciation, since payment/levy on these charges may make the Resolution Plan unviable.

10.4.7. In case any clause of this Resolution Plan is not acceptable to CoC, Resolution Applicant shall be entitled to make revision in the Resolution Plan and non-acceptance of such clause by CoC shall not render the entire plan non-binding.

10.4.8. Any amount collected by any tax authority towards an uncrystallized liability shall be refunded to the Corporate Debtor after adjusting the amount payable to such authority, if any, under the terms of this resolution plan.

10.4.9. Total amount payable to all the stakeholders including government dues will not be more than 2,31,00,000 except as mentioned in the plan.

10.4.10. Any excess or shortfall in CIRP cost will be borne by or paid to the Secured Financial Creditor.

For Resolution Applicant

Authorized Signatory

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